

Personnel

Payroll
Regulations

**General Payroll
Policies**

**EMPLOYEE PAYROLL
DESIGNATIONS:**

.01 Employees are designated by exempt or nonexempt status, pay status, and type of appointment.

Exempt or Nonexempt

.02 Employees are classified as exempt if they are paid on a salary basis and perform work in an executive, administrative, or professional capacity as those terms are used in the Fair Labor Standards Act (FLSA) of 1938, as amended, and if their positions have been designated as exempt by the Laboratory. All other employees are classified as nonexempt.

NOTE: These classifications are used for overtime pay purposes. See [AM 304](#).

Pay Status

.03 **Full-Time** — Employees who have a regularly scheduled workweek of 40 hours.

.04 **Part-Time** — Employees who are in pay status an average of 20 to 39 hours per workweek (from 50 to 98% of full-time). The Personnel Action form (PA) for a part-time employee indicates the percentage of time the employee is appointed to work. An employee in part-time status throughout a consecutive 12-month period must have been in pay status at least 1,040 hours, but not more than 2,038 hours, in the period. See [.06](#).

.05 **Casual** — Employees who are in pay status no more than 40% of full-time over a consecutive 12-month period. Nonexempt casuals are limited to 832 hours in pay status during a consecutive 12-month period. Exempt casual employees are limited to 104 days in pay status during a consecutive 12-month period. Casuals receive short- or limited-term appointments. Casual appointments, excluding those made under Special Employment Programs, have expiration dates that coincide with the last day of the pay period nearest the end of the Laboratory fiscal year. See [.06](#).

NOTE: Group-level managers are responsible for monitoring casual employee time in pay status to ensure that each employee maintains a

General Payroll Policies

consecutive 12-month average that does not exceed the limits stated above.

- .06 ***Definition of Consecutive 12-Month Total*** — A consecutive 12-month total is the total hours in pay status over the previous 12-month period or over the period since the last change in pay status, if less than 12 months. After 12 months are accumulated, the oldest month is deleted from the total as each new month is completed. Periods of approved leave without pay (LWOP) are excluded from the 12-month total.

Type of Appointment

- .07 ***Short-Term*** — Full-time or casual employees hired for a maximum of less than 6 months.
- .08 ***Limited-Term*** — Full-time, part-time, or casual employees who are hired for a maximum of 6 months or more but usually not to exceed 2 years per appointment. The division –level manager may extend a full- or part-time limited-term appointment, excluding Special Employment Program appointments, up to 5 years. The organization's Human Resources Generalist and Staffing Group in the Human Resources Division monitor PAs to ensure that the limit is not exceeded. When a limited-term appointee reaches his or her 5-year anniversary, the organization's management must determine whether to convert the employee to regular employment status or to contract worker status or to terminate the appointment. Extensions beyond five years will not be approved.
- .09 ***Regular*** — Full-time or part-time employees hired for an indefinite duration.

HOURS OF WORK:

Casual

- .10 Time in pay status for exempt or nonexempt casual employees may vary by week or pay period, so long as the appropriate 12-month averages are maintained. An exempt casual is limited to 5 days in pay status in a pay week. There is no limit on the number of hours a nonexempt casual may work

General Payroll Policies

in a pay week or pay period; however, all hours in pay status, including any overtime hours, count against the limit of 832 hours in a consecutive 12-month period.

Part-Time

- .11 A \times part-time employee is expected to work each week at least the number of hours for which appointed. If an employee works less than the required amount in any week, the employee must charge the absence(s) to leave.
- .12 If a part-time employee consistently is expected to work more or fewer hours than shown on the PA, the supervisor should submit another PA changing the appointment to the appropriate percentage of time. A PA should be submitted whenever a part-time employee is assigned to work more or fewer hours for a period of 1 month or more.

Full-Time

- .13 A full-time employee is expected to work at least 40 hours each workweek.

WAGES AND SALARY:

Exempt Employees

- .14 **Full- or Part-Time** — Although full-time exempt employees are expected to work at least 40 hours per workweek, greater emphasis is placed on meeting the responsibilities assigned to the position than on working a specified number of hours. Exempt employees may be expected to work more than 40 hours per workweek if required to complete assigned tasks. Subject to exceptions, a full-time exempt employee is paid his or her full weekly salary, regardless of the number of hours actually worked. A part-time exempt employee is paid a salary based on the percent of time shown on the PA, regardless of the number of hours actually worked. For example, an employee who is appointed for 50% time is paid a salary equivalent of 20 hours a week.

EXCEPTIONS: An exempt employee may receive less than full salary if he or she elects to treat a full day absence as leave without pay instead of charging the absence to accrued

General Payroll Policies

vacation or sick leave or takes a full day of leave without pay when paid leave is exhausted.

An exempt employee may receive more than the normal amount of pay if the employee is on an authorized extended workweek. See [AM 323](#).

- .15 **Casual** — An exempt casual employee receives a full day's pay (salary equivalent of 8 hours) for any day on which any authorized work is reported, regardless of the number of hours actually worked.

Nonexempt Employees

- .16 Nonexempt employees are paid at the appropriate hourly rate for actual work time and paid leave.

SALARY TERMS:

- .17 The following terms are used in connection with salary for nonexempt employees:

Basic Hourly Rate — The wage rate established for nonexempt employees, exclusive of shift differential. The basic hourly rate is computed as follows: The basic monthly salary divided by 173.33 equals the basic hourly rate.

Straight-Time Hourly Rate — The basic hourly rate plus the applicable shift differential. Shift differential is included for hours in nonwork pay status only if the shift is assigned for a period that extends beyond 4 consecutive weeks.

Regular Rate of Pay — The hourly rate calculated by taking the payment for all hours worked during the workweek (excluding payment for paid leave and overtime) and dividing the total by the number of hours worked (excluding overtime). Both regularly occurring and occasional shift differential is included in the regular rate of pay.

Monthly Equivalent — The straight-time hourly rate of a nonexempt employee expressed as a monthly rate. The monthly equivalent is computed as follows: The straight-time hourly rate times 173.33 equals the monthly equivalent.

General Payroll Policies

- WORK SCHEDULE TERMS:**
- .18 The following terms are used in connection with salary for exempt employees:
- Hourly Equivalent*** — The basic salary of an exempt employee expressed as an hourly rate. The hourly equivalent is computed as follows: the basic salary divided by 173.33 equals the hourly equivalent.
- Basic Salary*** — The monthly salary established for an exempt employee, exclusive of salary premiums.
- .19 The following terms are used in computing time for payroll purposes:
- Basic Workday*** — A scheduled work period (normally 8, 9, or 10 hours within a period of 24 consecutive hours). ~~See~~ *See* [AM 326](#).
- Basic Workweek*** — A period of seven consecutive days for calculating overtime for nonexempt employees.
- Pay Week*** — A period of seven consecutive days extending from Monday through Sunday (midnight).
- Pay Period*** — A period of 2 pay weeks.
- Extended Work Schedule*** — A work schedule established when an exempt employee is expected to work considerably more than normal for 90 workdays or more. Prior approval by the cognizant division-level manager is required.
- Leave Year*** — The end of the leave year coincides with the end of the pay period encompassing December 31. Subsequently, the leave year begins with the pay period after the end of the previous leave year.
- PAY STATUS:**
- .20 Pay status designates the compensation and benefits due an employee. An employee is in pay status at work, on excused absence with pay, on approved leave with pay, on official travel, or during a compensable holiday.